From:	Kinser, Robin
Sent:	Friday, July 03, 1998 2:03 PM
To:	Ellis, Cathy; Akimoto, Yoko; Lau, Raymond; Takada, Kohji; To, Debra; Walk, Ruediger-A.; Zhang, Mingda; Bugg, Joy; Carchman, Richard; Cynthia, Church; Davies, Bruce; Goldsmith, Alan; Gullotta, Frank; Hirnikel, Daniel; King, Valerie; King, Valerie; Kinser, Robin; Koller, Debbie; Larson, Lynn; Lipowicz, Peter; Mawyer, Denise; McAlpin, Loreen; Mitchell, Kathy; Seeman, Jeff; Badstuber, André; Dempsey, Ruth; Gygax, Jill; Leyden, Donald; Reif, Helmut; Ritter, Mitchell; Sanders, Edward; Schorp, Matthias; Tricker, Anthony
Cc:	Machich, Norma
Subject:	Budget question

WSA--

A question has arisen regarding how to handle items in the operating budget which are initiated one year but not completed until the next year, or even later. The question is how does one ensure funding for a multi-year endeavor when operating budgets are approved one year at a time. I've discussed this with Norma Machich and Cathy Ellis. The categories of expenditures for which this case may arise are most likely consulting, professional services, and grants. These are best handled as two categories:

- For consulting and professional service agreements, the solution is easy: these "purchases" now require an up-front purchase order which must be signed by the appropriate level of management. This approval could be submitted in developing the subsequent year's budget. If there is a contract for the work, specifics of the contract provide the necessary commitment. As an alternative to paying the entire cost at the completion of the work, you also can consider developing milestones in your service agreement. PM could then be invoiced and pay at each completed milestone, and the budgets would reflect a division of the cost of the work over two or more years.

- For grants, approvals must first be acquired from the SRRC. These grants are subject to annual review for appropriate progress and adjustments (both up and down) since modifications to the research plan may be made when new data is obtained.

In either instance, it is up to the WSA member responsible for the work to ensure that the appropriate funds are included in each year's operating budget.

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